Office of the Commissioner of Lobbying of Canada

2014-15

Departmental Performance Report

The Honourable Scott Brison, PC, MP
President of the Treasury Board

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Commissioner's Message

I am pleased to present the *2014-15 Departmental Performance Report* for the Office of the Commissioner of Lobbying. My mandate is threefold: maintaining a registry of lobbyists that is accessible to Canadians; fostering greater awareness of the requirements of the *Lobbying Act*; and ensuring compliance with the *Lobbying Act* and the *Lobbyists' Code of Conduct*.

The *Lobbying Act* is based on the premise that lobbying is legitimate and must be conducted in a transparent manner. The Registry of Lobbyists contributes to transparency and accountability of government decision-making. This year, a number of new tools were developed to assist lobbyists to register and report communications with designated public office holders.

I believe transparency is hindered when lobbyists file monthly communication reports late. For that reason, I implemented new education measures this year to ensure that lobbyists know the deadlines set out in the Act. They are also now made aware whenever they submit their monthly communication reports late. As a result, I am proud to report that this year, the percentage of monthly communication reports filed on time was the highest it has been since the requirement to file monthly communication reports was introduced in 2008.

The *Lobbyists' Code of Conduct* has remained unchanged since it came into force in 1997. Based on my experience in administering the Code and the views expressed during the 2013 consultation, I revised the Code this year, and shared it for consultation. This consultative effort provided an excellent opportunity to raise awareness of the objectives of the Code. More than 130 stakeholders, including lobbyists, public office holders, representatives of the legal community, and academics participated in the process. Based on this consultation, I made further changes to the Code before referring it to the House of Commons Standing Committee on Access to Information, Privacy, and Ethics in May 2015. In late fall, I intend to publish the Code in the *Canada Gazette*. At that time, I will indicate when the new Code will come into effect. Until then, the 1997 Code applies.

While education is important to ensure compliance, it is also essential to have an effective enforcement regime. This year, my Office implemented a number of proactive measures to ensure lobbyists and former designated public office holders comply with the Act and the Code. For example, there was a three-fold increase in the number of advisory letters sent to potential registrants and former designated public office holders subject to post-employment restrictions on lobbying.

Last year, I reported on the first charge and conviction for a breach of the *Lobbying Act*. This year, three individuals were charged with offences under the *Lobbying Act* following my referral of their case to the RCMP. At the time of the writing of this Report, all three matters are before the courts.

I would like to take this opportunity to thank my staff for their dedication and support. They continue to surpass my expectations in finding innovative ways to help me deliver on my mandate in the most efficient manner.

Karen E. Shepherd
Commissioner of Lobbying

Section I: Organizational Expenditure Overview

Organizational Profile

Deputy Head: Karen E. Shepherd

Enabling Instrument: *Lobbying Act*, R.S.C., 1985, c. 44 (4th Supp.)[i]

Year of Incorporation: 2006

Other: The Office of the Commissioner of Lobbying supports the Commissioner of Lobbying, who is an independent Agent of Parliament.

Organizational Context

Raison d'être

The Office of the Commissioner of Lobbying (OCL) supports the Commissioner of Lobbying, the Agent of Parliament responsible for the administration of the *Lobbying Act* (the Act). The legislation seeks to improve transparency and accountability regarding communications between lobbyists and federal public office holders and increase the confidence of Canadians in the integrity of government decision-making. To that end, the mandate of the OCL is to establish and maintain the Registry of Lobbyists, develop and implement educational programs to foster awareness about the Act; and, ensure compliance with the Act and the *Lobbyists' Code of Conduct*. The President of Treasury Board is the minister responsible for tabling in Parliament the Office of the Commissioner of Lobbying's Report on Plans and Priorities and Departmental Performance Report.

Responsibilities

The Commissioner of Lobbying is responsible for the administration of the *Lobbying Act*. The authority of the Commissioner is derived from the Act.

The mandate of the Commissioner is threefold:

1. Establish and maintain the Registry of Lobbyists, which contains and makes public the information disclosed by lobbyists;
2. Develop and implement educational programs to foster public awareness of the requirements of the Act; and
3. Undertake administrative reviews and investigations to ensure compliance with the Act and the *Lobbyists' Code of Conduct*.

Under the Act, the Commissioner of Lobbying has the authority to grant exemptions to former designated public office holders who are subject to a five-year prohibition on lobbying activities.

The Commissioner reports annually to Parliament on the administration of the Act and the Code. At the end of any investigation, the Commissioner is also required to submit a Report on Investigations to Parliament, to present her findings, conclusions, and the reasons for her conclusions.

Strategic Outcome and Program Alignment Architecture

1. **Strategic Outcome**: Transparency and accountability in the lobbying of public office holders contribute to confidence in the integrity of government decision-making.

   1.1. **Program**: Registration of Lobbyists

   1.2. **Program**: Education and Research

   1.3. **Program**: Reviews and Investigations under the *Lobbying Act* and the *Lobbyists' Code of Conduct*

   Internal Services

Organizational Priorities

Organizational Priorities

Priority	Type[1]	Program
Improve the timeliness of monthly communication reports filed by lobbyists.	New	Registration of Lobbyists Education and Research
Summary of Progress		
The OCL implemented measures to improve lobbyists' timeliness in filing monthly communication reports. Starting in July 2014, the notifications in the Lobbyists Registration System were made more explicit regarding the late filing of monthly communication reports. The filing deadlines in the *Lobbying Act* were also highlighted in the summer newsletter sent to registrants. As a result, 11,939 of the 13,134 (91%) monthly communication reports filed in 2014-15 were filed on time. This is the highest proportion of monthly communication reports filed on time since 2008.		

Priority	Type	Program
Report the results of the consultation on the *Lobbyists' Code of Conduct*.	Previously committed to	Education and Research
Summary of Progress		
A report on the public consultation about the need to revise the *Lobbyists' Code of Conduct* was published in May 2014 on the OCL website.[ii] The Commissioner indicated in the report that she would revise the *Lobbyists' Code of Conduct* over the summer of 2014 and then consult on the revised Code. In October 2014, the Commissioner released a revised Code for consultation as well as a background paper[iii] that set out the rationale for the changes she made. The consultation ran from October to December 2014. The Commissioner held 16 consultation roundtables across the country and received 37 written submissions[iv] from a variety of stakeholders. These submissions are posted on OCL's website. Between written submissions and roundtables, the Commissioner heard views from 130 individuals, associations, organizations and corporations. In May 2015, the new *Lobbyists' Code of Conduct* was referred to the House of Commons Standing Committee on Access to Information, Privacy, and Ethics. In the late fall, the Commissioner intends to publish the Code in the *Canada Gazette* and indicate when it will come into force. Until then, the 1997 Code applies.		

1. Type is defined as follows: previously committed to—committed to in the first or second fiscal year prior to the subject year of the report; ongoing—committed to at least three fiscal years prior to the subject year of the report; and new—newly committed to in the reporting year of the DPR.

Priority	Type	Program
Enhance the security and control of OCL's compliance files and business processes by implementing a segregated network.	New	Reviews and Investigations under the *Lobbying Act* and the *Lobbyists' Code of Conduct* Internal Services
Summary of Progress		
The segregated computer network was rolled out to a select group of OCL employees in 2014-15. The segregated network is being used to host a secure development environment for the Lobbyists Registration System and a case management system for the Investigations Directorate.		

Priority	Type	Program
Improve efficiency by operationalizing a new automated case management system.	Previously committed to	Reviews and Investigations under the *Lobbying Act* and the *Lobbyists' Code of Conduct*
Summary of Progress		
An automated case management system, which runs on OCL's segregated network, was installed in 2014-15. The Investigations Directorate is configuring the case management system to capture information about compliance verifications, preliminary assessments of allegations, administrative reviews, investigations, exemption reviews and prohibition enquiries. The case management system will be fully operational in 2015-16.		

Priority	Type	Program
Implement enhanced compliance verification processes.	Previously committed to	Reviews and Investigations under the *Lobbying Act* and the *Lobbyists' Code of Conduct*
Summary of Progress		
Media monitoring, monthly communication report verification, and compliance audit processes were updated and supplemented with compliance assessments and analyses. In 2014-15, OCL conducted: • 98 verifications based on media monitoring; • 116 verifications with designated public office holders covering 540 monthly communication reports; • 46 compliance assessments; and • 16 compliance audits and analyses. These compliance verification activities resulted in the sending of 36 advisory letters in 2014-15, which represents a threefold increase over the previous year.		

Priority	Type	Program
Explore opportunities to further collaborate on the delivery of OCL's corporate services with other Agents of Parliament and other federal institutions, while maintaining the independence of the Office.	New	Internal Services
Summary of Progress		
While maintaining the independence of the Office, OCL continued to explore collaborative services with other Agents of Parliament and other federal government departments to improve the efficiency and effectiveness of internal services. For example, OCL pursued opportunities with other Agents of Parliament concerning IT support, training and HR. Discussions will continue in 2015-16 to identify further opportunities to expand joint service delivery to other areas.		

Risk Analysis

Key Risks

Risk	Risk Response Strategy	Link to Program Alignment Architecture
Information Technology Security	This risk was identified as a result of the internal audit of the Lobbyists Registration System conducted in 2012-13. This risk was also documented in the Corporate Risk Profile, last updated in 2013-14. To address this risk, a Corporate Security Plan, including an IT Security Policy, was developed. The OCL also implemented a segregated network in 2013-14. The segregated network was fully rolled out in 2014-15 with the provision of separate desktops to select staff. Policies and practices have been developed to guide the utilization of the segregated network.	Internal Services Reviews and Investigations under the *Lobbying Act* and the *Lobbyists' Code of Conduct*
Integrity and accessibility of the Lobbyists Registration System	This risk was identified in the 2013-14 RPP. It is important for data integrity that information is posted in the Registry on a timely basis. Educating lobbyists about the deadlines for submitting monthly communication reports will improve timeliness, which, in turn, will improve the integrity of the information contained in the Registry. The OCL will keep the documentation of the Lobbyists Registration System processes evergreen to ensure long-term viability of the Registry. Creating a development environment for the Lobbyists Registration System on the segregated network will allow the OCL to update, mine and report on Registry data more efficiently.	Registration of Lobbyists Education and Research
Lobbyists fail to comply with the *Lobbying Act* because they do not understand the requirements	This risk was documented in the Corporate Risk Profile, last updated in 2013-14. To address this risk, the OCL is implementing a more strategic approach to compliance verification. Advisory letters will continue to be issued to ensure that those who should register understand the requirements of the Act and register if required. In addition, the OCL will continue to focus efforts on raising awareness of the timelines for filing monthly communication reports prescribed in the *Lobbying Act*.	Registration of Lobbyists Education and Research Reviews and Investigations under the *Lobbying Act* and the *Lobbyists' Code of Conduct*

In managing the information technology (IT) infrastructure that supports the Registry of Lobbyists and other systems, a number of risks related to IT security have been identified. Potential implications for such risks include a loss of confidence in the information contained in the Registry. The OCL continues to strengthen its management accountability framework to mitigate these risks. A Corporate Security Plan was

developed which includes an IT Security Policy. Both were approved in 2014-15. The introduction of a segregated network in 2014-15 has enhanced the security environment in two key areas: protection of sensitive information relating to compliance files; and facilitation of the development of the Lobbyists Registration System (LRS).

The integrity of the Registry data and easy access by Canadians are paramount to ensuring transparency of lobbying activities. The OCL reviews and approves lobbyists' registrations and ensures that the Registry is available with minimum system interruptions. The replication of the LRS on a secure development environment will allow for the improvement of the Registry in an efficient manner.

In 2013-14, about 12% of monthly communication reports were filed late. This may have resulted from registered individuals, organizations and corporations not being fully aware of disclosure requirements. In 2014-15, the OCL improved notifications in the Registry so that lobbyists who file late monthly communication reports are made aware that they have done so. Registered lobbyists were also sent a newsletter reminding them of the reporting timelines in the *Lobbying Act*. As a result, the percentage of monthly communication reports that were submitted late in 2014-15 was reduced to 9%. This is the lowest proportion of monthly communication reports filed late since the requirement to report communications with designated public office holders was enacted in 2008.

Individuals, organizations and corporations may fail to register because they are not aware that the *Lobbying Act* applies to them. In 2014-15, the OCL tripled the number of advisory letters to ensure that those at risk of non-compliance were informed of the registration requirements of the Act.

The OCL risk profile and mitigation strategies are reviewed by the Audit and Evaluation Committee (AEC), an independent advisory committee to the Commissioner of Lobbying. The AEC provides objective advice and recommendations to the Commissioner regarding management, control and governance frameworks and processes. The AEC meets four times a year.

Actual Expenditures

Budgetary Financial Resources (dollars)

2014-15 Main Estimates	2014-15 Planned Spending	2014-15 Total Authorities Available for Use	2014-15 Actual Spending (authorities used)	Difference (actual minus planned)
4,432,300	4,685,142	4,776,820	4,680,526	(4,616)

Human Resources (Full-Time Equivalents [FTEs])

2014-15 Planned	2014-15 Actual	2014-15 Difference (actual minus planned)
28	28	0

Budgetary Performance Summary for Strategic Outcome and Programs (dollars)

Strategic Outcome, Programs and Internal Services	2014-15 Main Estimates	2014-15 Planned Spending	2015-16 Planned Spending	2016-17 Planned Spending	2014-15 Total Authorities Available for Use	2014-15 Actual Spending (authorities used)	2013-14 Actual Spending (authorities used)	2012-13 Actual Spending (authorities used)
Strategic Outcome: Transparency and accountability in the lobbying of public office holders contribute to confidence in the integrity of government decision-making								
Registration of Lobbyists	824,989	824,989	1,052,172	1,029,060	970,130	950,575	887,751	1,124,001
Education and Research	780,733	800,084	709,921	694,327	737,115	722,255	732,456	924,150
Reviews and Investigations under the *Lobbying Act* and the *Lobbyists' Code of Conduct*	1,137,784	1,143,118	1,161,914	1,136,392	1,134,634	1,111,761	1,080,788	1,019,962
Subtotal	**2,743,506**	**2,768,191**	**2,924,007**	**2,859,779**	**2,841,879**	**2,784,591**	**2,700,995**	**3,068,113**
Internal Services Subtotal	**1,688,794**	**1,916,951**	**1,628,533**	**1,592,761**	**1,934,941**	**1,895,935**	**1,762,528**	**1,677,201**
Total	**4,432,300**	**4,685,142**	**4,552,540**	**4,452,540**	**4,776,820**	**4,680,526**	**4,463,523**	**4,745,314**

Over the years, the OCL's reference levels have remained stable. The adjustments made throughout the years were mostly related to compensation for signed collective agreements and corresponding adjustments to the Employee Benefits Plan.

In 2014-15, the OCL's planned and actual spending were on target.

The OCL's spending has remained relatively constant over the last few years. The decrease in expenditures in 2013-14 compared to 2012-13 was due primarily to a 5% ($230K) budget reduction announced in Budget 2012.

The increase in expenditures when comparing 2013-14 Actual Spending and 2014-15 Actual Spending is due primarily to the one-time transition payment for implementing salary payment in arrears of $106K as well as to development work on the Lobbyists Registration System for $130K and on the Case Management System for $34K. The remaining difference is a decrease in expenditures of $53K in other professional services.

The difference in planned spending for 2015-16 compared to future years is the result of the anticipated lapse to be carried forward from 2014-15 of approximately $185K and the reimbursement of maternity leave expenditures. Otherwise, the planned spending for future years is expected to remain constant.

Alignment of Spending With the Whole-of-Government Framework

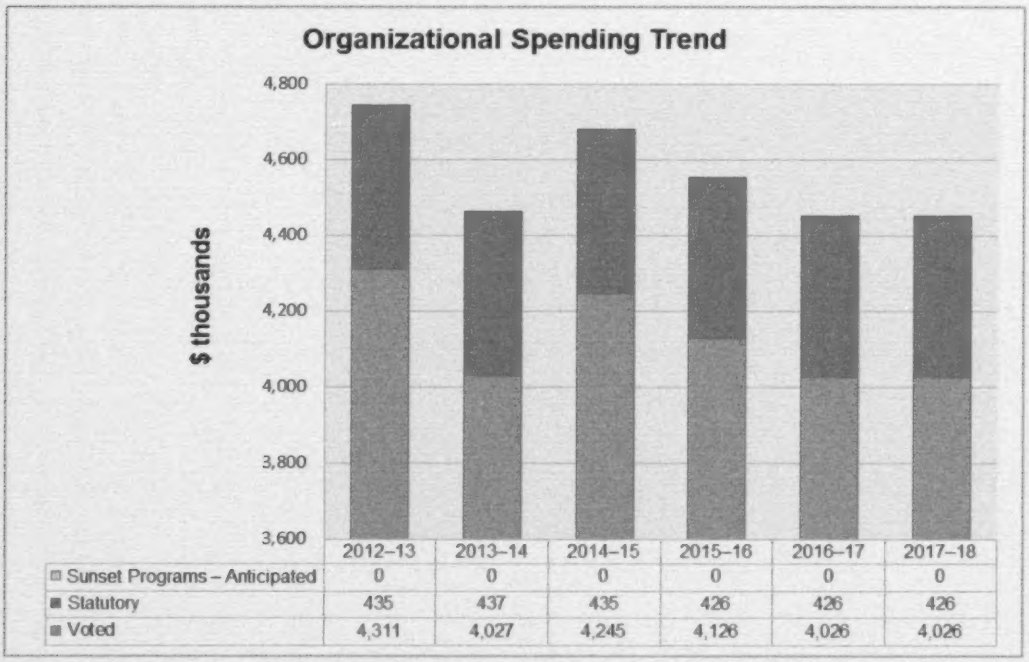
Alignment of 2014-15 Actual Spending With the Whole-of-Government Framework[v] (dollars)

Strategic Outcome	Program	Spending Area	Government of Canada Outcome	2014-15 Actual Spending
Transparency and accountability in the lobbying of public office holders contribute to confidence in the integrity of government decision-making	1.1 Registration of Lobbyists	Government Affairs	A transparent, accountable, and responsive federal government	950,575
	1.2 Education and Research	Government Affairs	A transparent, accountable, and responsive federal government	722,255
	1.3 Reviews and Investigations under the *Lobbying Act* and the *Lobbyists' Code of Conduct*	Government Affairs	A transparent, accountable, and responsive federal government	1,111,761

Total Spending by Spending Area (dollars)

Spending Area	Total Planned Spending	Total Actual Spending
Economic Affairs	-	-
Social Affairs	-	-
International Affairs	-	-
Government Affairs	2,768,191	2,784,591

Organizational Spending Trend



	2012–13	2013–14	2014–15	2015–16	2016–17	2017–18
Sunset Programs – Anticipated	0	0	0	0	0	0
Statutory	435	437	435	426	426	426
Voted	4,311	4,027	4,245	4,126	4,026	4,026

The increase in actual spending in 2014-15 in comparison to fiscal year 2013-14 is due largely to the paylist expenditures. The gradual decrease illustrated through the graph is mainly attributable to the one-time transition payment for implementing salary payment in arrears by the Government of Canada in 2014-15 and the cash-out of severance pay following the signing of new collective agreements (as a result of the Government's decision in 2011 to cease the severance pay program for public service employees).

The variance in the 2015-16 planned spending and future years is the result of the anticipated lapse to be carried forward from 2014-15 of approximately $185K and the reimbursement of maternity leave expenditures. Otherwise, the planned spending for future years is expected to remain constant.

Expenditures by Vote

For information on the Office of the Commissioner of Lobbying of Canada's organizational voted and statutory expenditures, consult the *Public Accounts of Canada 2015*,[vi] which is available on the Public Works and Government Services Canada website.[vii]

Section II: Analysis of Programs by Strategic Outcome

Strategic Outcome

Transparency and accountability in the lobbying of public office holders contribute to confidence in the integrity of government decision-making.

Program 1.1: Registration of Lobbyists

Description

Lobbying the federal government is a legitimate activity but it must be done transparently. The *Lobbying Act* requires that individuals who are paid to lobby public office holders must disclose certain details of their lobbying activities. The Office of the Commissioner of Lobbying approves lobbyists' registrations and makes them available for searching in an electronic registry that is accessible on the Internet.

Budgetary Financial Resources (dollars)

2014-15 Main Estimates	2014-15 Planned Spending	2014-15 Total Authorities Available for Use	2014-15 Actual Spending (authorities used)	2014-15 Difference (actual minus planned)
824,989	824,989	970,130	950,575	125,586

Human Resources (Full-Time Equivalents [FTEs])

2014-15 Planned	2014-15 Actual	2014-15 Difference (actual minus planned)
7	7	0

Performance Results

Expected Results	Performance Indicators	Targets	Actual Results
Lobbyists can register in accordance with the requirements of the *Lobbying Act*.	Percentage of registrations that are processed within three business days.	100% of registrations received are processed within three business days.	100% of registrations were processed within three business days.
Canadians have access to information about lobbyists and lobbying activities.	Percentage of time the Registry of Lobbyists is available to Canadians.	The Registry of Lobbyists is available to the public 95-98% of the time.	The Registry of Lobbyists was available to the public 99.1% of the time.

Performance Analysis and Lessons Learned

The OCL continues to provide assistance and guidance to registrants as required, whether by phone, email, webinars, or in person. In 2014-15, 100% of all registrations were processed within three business days, which is the established service standard. Registration advisors responded to 2,724 telephone enquiries regarding the Registry, the

registration process, and the application of the *Lobbying Act* and the *Lobbyists' Code of Conduct*. More than 89% of the calls were answered within 30 seconds.

In 2014-15, the OCL implemented three new tools to assist lobbyists:

- an updated *Guide to Registration*[viii] to provide detailed information to lobbyists regarding when and how to register;
- new registration worksheets[ix] to help determine what information lobbyists must enter in the Registry; and
- an online self-assessment tool[x] entitled "*Are you required to register in the federal Registry of Lobbyists?*" which improved on last year's flowchart and helps potential lobbyists determine if registration is required.

In addition, the notifications in the Lobbyists Registration System (LRS) were made more explicit regarding the late filing of monthly communication reports.

The implementation of the segregated network in 2014-15 has allowed the OCL to put a development environment in place for the LRS. The development environment will be used to update, mine and report on Registry data more efficiently. It will also be used to explore cost-effective options for the long-term viability of the Registry. The OCL is on track to replicate the Registry data and LRS functionality on the segregated network in 2015-16.

A comprehensive Registry dataset is compiled monthly and made available for download on both the OCL website[xi] and through open.canada.ca.

Program 1.2: Education and Research

Description

The Office develops and implements educational and research programs to foster awareness of the requirements of the *Lobbying Act* and the *Lobbyists' Code of Conduct*. The primary audiences for programs are lobbyists, their clients and public office holders.

Budgetary Financial Resources (dollars)

2014-15 Main Estimates	2014-15 Planned Spending	2014-15 Total Authorities Available for Use	2014-15 Actual Spending (authorities used)	2014-15 Difference (actual minus planned)
780,733	800,084	737,115	722,255	(77,829)

Human Resources (FTEs)

2014-15 Planned	2014-15 Actual	2014-15 Difference (actual minus planned)
7	7	0

Performance Results

Expected Result	Performance Indicator	Target	Actual Result
Lobbyists, their clients, public office holders and the public are aware of the requirements of the *Lobbying Act*.	Awareness of the Act on the part of lobbyists, their clients, public office holders and the public is medium to high.	80% say that their awareness is medium to high.	A survey was not conducted this year. However, the majority of the more than 760 participants at outreach meetings and presentations demonstrated a medium to high level of awareness and understanding of the Act.

Performance Analysis and Lessons Learned

This year, a public consultation on the revised *Lobbyists' Code of Conduct* was one of the Commissioner's priorities. It was also an important element of the outreach program, as it provided an opportunity to raise awareness about the objectives of the Code.

Including the consultation activities, the OCL reached out to more than 760 individuals: lobbyists; public office holders; parliamentarians and their staff; academics; and members of the public. The Commissioner also appeared before the House of Commons Standing Committee on Access to Information, Privacy and Ethics to discuss her Office's priorities and accomplishments.

The OCL did not administer a survey to measure the awareness levels of lobbyists, their clients, public office holders and the general public. However, the depth and complexity of questions asked during outreach presentations demonstrate that knowledge of the Act and the Code is medium to high for the majority of those attending these events. Media stories also reflect a medium to high knowledge of the Act and the Code. Targeted surveys to measure the effectiveness of OCL's outreach presentations will be introduced in 2015-16.

The *Lobbyists' Code of Conduct* was revised over the summer of 2014. In October, the Commissioner released a revised Code for consultation as well as a background paper[iii] that set out the rationale for changes to the Code. The consultation ran from October to December 2014.

The Commissioner held 16 consultation roundtables across the country (in Calgary, Edmonton, Halifax, Ottawa, Toronto, Vancouver, and Victoria) and at the Annual Conference of the Council on Governmental Ethics Laws (COGEL). In addition, 37 written submissions were received from a variety of stakeholders, including consultant and in-house lobbyists who lobby on behalf of corporations; not-for-profit organizations and industry associations; representatives of the legal community; public office holders; academics; and members of the public. In the interest of transparency, the submissions[iv] were posted on the OCL website.

As required by the *Lobbying Act*, the new *Lobbyists' Code of Conduct* was referred to the House of Commons Standing Committee on Access to Information, Privacy, and Ethics in May 2015. In late fall 2015, the Commissioner will publish the Code in the *Canada Gazette*. At that time, the Commissioner will indicate when the Code will come into effect. Until then, the 1997 Code remains in force.

In 2014-15, the OCL implemented measures to ensure that lobbyists were made aware when they submit a monthly communication report late. These measures include improved notifications in the Lobbyists Registration System and improved outreach materials to ensure that the deadline for filing monthly communication reports is clearly communicated. As a result, the proportion of monthly communication reports filed on time increased to 91% in 2014-15, the best result to date.

Current and former designated public office holders who are subject to the five-year prohibition on lobbying are a key target group for outreach. In February 2015, a new process was initiated to inform former designated public office holders listed in the Registry (all of whom work for corporations) about the post-employment restrictions under the *Lobbying Act*. The former designated public office holders were required to confirm that they understand the restrictions that apply to their lobbying activities and that they are in compliance with them. This will be an ongoing activity.

Program 1.3: Reviews and Investigations under the *Lobbying Act* and the *Lobbyists' Code of Conduct*

Description

The Office of the Commissioner of Lobbying validates information provided by registered lobbyists to ensure accuracy. Allegations of non-registration or misconduct by lobbyists are reviewed and formal investigations are carried out when required.

Budgetary Financial Resources (dollars)

2014-15 Main Estimates	2014-15 Planned Spending	2014-15 Total Authorities Available for Use	2014-15 Actual Spending (authorities used)	2014-15 Difference (actual minus planned)
1,137,784	1,143,118	1,134,634	1,111,761	(31,357)

Human Resources (FTEs)

2014-15 Planned	2014-15 Actual	2014-15 Difference (actual minus planned)
8	8	0

Performance Results

Expected Results	Performance Indicators	Targets	Actual Results
Suspected, alleged or known breaches of the *Lobbying Act* and the *Lobbyists' Code of Conduct* are reviewed or investigated and appropriate measures taken to ensure compliance.	Percentage of suspected, alleged or known breaches of the Act or Code that are subject to review or investigation.	100% of suspected, alleged, or known breaches are subject to review or investigation.	100% of suspected, alleged or known breaches were subject to review or investigation.
Information contained in monthly communication reports submitted to the Office of the Commissioner of Lobbying is accurate and complete.	Percentage of monthly communication reports that are found accurate.	90-95% of reports are found to be accurate and complete.	97.4% of reports were found to be accurate and complete.

Expected Results	Performance Indicators	Targets	Actual Results
Exemptions from the five-year prohibition are granted or denied in a manner consistent with the purposes of the *Lobbying Act*.	Percentage of exemption reviews completed to the point of the letter of intent within 60 days.	100% of exemption reviews are completed to the point of the letter of intent within 60 days.	100% of exemption reviews were completed to the point of the letter of intent within 60 days.

Performance Analysis and Lessons Learned

Compliance with the *Lobbying Act* and the *Lobbyists' Code of Conduct* ensures the public that lobbying activities are transparent and conducted in an ethical manner. In 2014-15, the Commissioner established a Compliance Advisory Team that brings together employees from across the organization to recommend initiatives and approaches to improve compliance with the Act and the Code.

This year, the Investigations Directorate continued to keep pace with new allegations of non-compliance with the Act or the Code. In 2014-15, 22 administrative reviews were initiated and 20 were completed. The end-of-year administrative review carry-over to 2015-16 was 34 files.

Following last year's historic first conviction under the *Lobbying Act*, three other individuals were charged under the Act in 2014-15 following referrals by the Commissioner to the RCMP:

- One individual was charged with three counts of engaging in lobbying activities while under the five-year prohibition as prescribed in the Act;
- Another individual was charged with one count of failure to file a registration as required under subsection 5(1) of the Act; and
- A third individual was charged with four counts of failure to file a registration as required under subsection 5(1) of the Act.

The OCL regularly conducts verifications to assess the accuracy of monthly communication reports. On a monthly basis, designated public office holders who have been identified in a sample of communication reports are contacted to validate the information. In 2014-15, the Office verified 540 communication reports with 116 designated public office holders. They confirmed that more than 97% of the reports verified were accurate. The errors found were primarily clerical in nature.

The OCL conducts compliance assessments of individuals, corporations and organizations that have been subject to a previous compliance measure. One year after the subject has been advised of a breach, OCL staff reviews the file to confirm that there has not been a recurrence of the original breach. Recent registration activity and media reports are also examined to ensure the subject is otherwise in compliance with the Act. In 2014-15, 46 compliance assessments found no instances of repeat non-compliance. However, one instance of non-compliance unrelated to the original breach was discovered.

This year, the OCL conducted a compliance analysis of festivals and universities that obtain government funding but had not registered to lobby the government concerning the awarding of grants, contributions, or other financial benefits. The analysis is ongoing but preliminary results indicate that many of those organizations do not meet the "significant part of duties" threshold and are therefore not required to register.

Last year, the Commissioner indicated that the OCL would increase the number of advisory letters to ensure that those who communicate with public office holders are aware of the requirements of the Act. As a result, 36 advisory letters were sent in 2014-15, which represents a threefold increase over 2013-14.

The OCL processes applications for exemption from the five-year prohibition on lobbying for former designated public office holders. The Commissioner believes that timely decisions about exemption requests lead to greater compliance with the five-year prohibition. This year, four requests for exemption were received. In all cases, a Letter of Intent was issued within OCL's 60-day service standard.

In addition to exemption requests, OCL also receives enquiries from departing or former designated public office holders seeking clarification about the exact date that their five-year prohibition commences. This year, the review process was streamlined to respond more quickly to these requests. As a result, two prohibition enquiries were processed within the 30-day service standard.

In 2014-15, the OCL installed an automated case management system on its segregated network. The Investigations Directorate began the process of configuring the system to capture information about compliance verifications, preliminary assessments of allegations, administrative reviews, investigations, exemption reviews and prohibition enquiries. The case management system will become fully operational in 2015-16.

Internal Services

Description

Internal Services are groups of related activities and resources that are administered to support the needs of programs and other corporate obligations of an organization. These groups are Management and Oversight Services, Legal Services, Human Resources Management Services, Financial Management Services, Information Management Services, Information Technology Services, Real Property Services, Materiel Services, Acquisition Services, and Travel and Other Administrative Services. Internal Services include only those activities and resources that apply across an organization and not those provided to a specific program.

Given the mandate of the OCL to develop and implement education and outreach programs to raise awareness of the requirements of the *Lobbying Act*, Communications Services are not included in Internal Services, but rather form part of the Education and Research program.

Budgetary Financial Resources (dollars)

2014-15 Main Estimates	2014-15 Planned Spending	2014-15 Total Authorities Available for Use	2014-15 Actual Spending (authorities used)	2014-15 Difference (actual minus planned)
1,688,794	1,916,951	1,934,941	1,895,936	(21,015)

Human Resources (FTEs)

2014-15 Planned	2014-15 Actual	2014-15 Difference (actual minus planned)
6	6	0

Performance Analysis and Lessons Learned

In 2014-15, the OCL completed the preparation of its Corporate Security Plan, including an IT Security Policy. The segregated computer network was fully rolled out to a select group of OCL employees. The segregated network provides the infrastructure for the new case management system for investigation files as well as for a secure development environment for the Lobbyists Registration System.

Additional progress was made in the area of performance measurement and evaluation. 2014-15 was the first full year that the performance measurement strategy was operational. OCL's senior management team received quarterly performance measurement summaries which allowed for more informed decision-making. Improved

performance measurement has informed further refinement of the OCL's Performance Measurement Framework. The OCL participated in the Management, Resources and Results Structure amendment process for 2015-16.

OCL's multi-year evaluation plan was finalized in 2014-15. The plan identifies the Research and Education program as the object of the OCL's first program evaluation, scheduled to start in 2015-16.

OCL continued its collaboration with other Agents of Parliament and other federal government departments to explore opportunities to create efficiencies in the provision of internal services, while maintaining the independence of the Office. For example, OCL pursued various collaborative opportunities with other Agents of Parliament concerning IT support, training and HR. Discussions will continue in 2015-16 to identify opportunities to expand joint service delivery to other areas.

Section III: Supplementary Information

Financial Statements Highlights

Condensed Statement of Operations (unaudited)
For the Year Ended March 31, 2015
(dollars)

Financial Information	2014-15 Planned Results	2014-15 Actual	2013-14 Actual	Difference (2014-15 actual minus 2014-15 planned)	Difference (2014-15 actual minus 2013-14 actual)
Total expenses	5,691,879	5,263,197	5,423,052	(428,682)	(159,855)
Total revenues	-	-	-	-	-
Net cost of operations before government funding and transfers	5,691,879	5,263,197	5,423,052	(428,682)	(159,855)

The decrease in actual expenses from 2013-14 to 2014-15 is 3%. A similar decrease is illustrated between 2014-15 planned and actual expenditures. The decreases are mainly attributable to changes in professional services expenditures and delays in projects.

Almost two thirds of the OCL's expenses (62%) relate to salaries and employee benefits. Professional and special services expenses (18%) include the costs of corporate services purchased from other government departments, including information technology, human resources management and financial services. The amortization of tangible capital assets, such as the Lobbyists Registration System, represents 8% of total expenditures.

Condensed Statement of Financial Position (unaudited)
As at March 31, 2015
(dollars)

Financial Information	2014-15	2013-14	Difference (2014-15 minus 2013-14)
Total net liabilities	897,961	859,272	38,689
Total net financial assets	553,115	393,901	159,214
Net debt	344,846	465,371	(120,525)
Total non-financial assets	838,777	1,026,553	(187,776)
Net financial position	493,931	561,182	(67,251)

The increase in total net liabilities is mainly attributable to accounts payable and accrued liabilities. The total net financial assets increase is mostly attributable to an increase in the Due from Consolidated Revenue Fund.

Financial Statements

The OCL's financial statements[xii] can be found on the OCL website.

Supplementary Information Tables

The supplementary information tables listed in the *2014-15 Departmental Performance Report* can be found on the OCL website.

- Organizational Sustainable Development Strategy [xiii]
- Internal Audits and Evaluations [xiv]
- Response to Parliamentary Committees and External Audits [xv]

Tax Expenditures and Evaluations

The tax system can be used to achieve public policy objectives through the application of special measures such as low tax rates, exemptions, deductions, deferrals and credits. The Department of Finance Canada publishes cost estimates and projections for these measures annually in the *Tax Expenditures and Evaluations*[xvi] publication. The tax measures presented in the *Tax Expenditures and Evaluations* publication are the responsibility of the Minister of Finance.

Section IV: Organizational Contact Information

Office of the Commissioner of Lobbying of Canada
255 Albert Street, 10th Floor
Ottawa, Ontario K1A 0H2
Tel: 613-957-2760
Fax: 613-957-3078
Email: QuestionsLobbying@ocl-cal.gc.ca

René Leblanc
Deputy Commissioner and Chief Financial Officer
255 Albert Street, 10th Floor
Ottawa, Ontario K1A 0H2
Tel: 613-952-4250
Fax: 613-957-3078
Email: rene.leblanc@ocl-cal.gc.ca

Appendix: Definitions

appropriation (*crédit*): Any authority of Parliament to pay money out of the Consolidated Revenue Fund.

budgetary expenditures (*dépenses budgétaires*): Includes operating and capital expenditures; transfer payments to other levels of government, organizations or individuals; and payments to Crown corporations.

Departmental Performance Report (*rapport ministériel sur le rendement*): Reports on an appropriated organization's actual accomplishments against the plans, priorities and expected results set out in the corresponding Report on Plans and Priorities. These reports are tabled in Parliament in the fall.

full-time equivalent (*équivalent temps plein*): Is a measure of the extent to which an employee represents a full person-year charge against a departmental budget. Full-time equivalents are calculated as a ratio of assigned hours of work to scheduled hours of work. Scheduled hours of work are set out in collective agreements.

Government of Canada outcomes (*résultats du gouvernement du Canada*): A set of 16 high level objectives defined for the government as a whole, grouped in four spending areas: economic affairs, social affairs, international affairs and government affairs.

Management, Resources and Results Structure (*Structure de la gestion, des ressources et des résultats*): A comprehensive framework that consists of an organization's inventory of programs, resources, results, performance indicators and governance information. Programs and results are depicted in their hierarchical relationship to each other and to the Strategic Outcome(s) to which they contribute. The Management, Resources and Results Structure is developed from the Program Alignment Architecture.

non-budgetary expenditures (*dépenses non budgétaires*): Includes net outlays and receipts related to loans, investments and advances, which change the composition of the financial assets of the Government of Canada.

performance (*rendement*): What an organization did with its resources to achieve its results, how well those results compare to what the organization intended to achieve and how well lessons learned have been identified.

performance indicator (*indicateur de rendement*): A qualitative or quantitative means of measuring an output or outcome, with the intention of gauging the performance of an organization, program, policy or initiative respecting expected results.

performance reporting (*production de rapports sur le rendement*): The process of communicating evidence-based performance information. Performance reporting supports decision making, accountability and transparency.

planned spending (*dépenses prévues*): For Reports on Plans and Priorities (RPPs) and Departmental Performance Reports (DPRs), planned spending refers to those amounts that receive Treasury Board approval by February 1. Therefore, planned spending may include amounts incremental to planned expenditures presented in the Main Estimates.

A department is expected to be aware of the authorities that it has sought and received. The determination of planned spending is a departmental responsibility, and departments must be able to defend the expenditure and accrual numbers presented in their RPPs and DPRs.

plan (*plan*): The articulation of strategic choices, which provides information on how an organization intends to achieve its priorities and associated results. Generally a plan will explain the logic behind the strategies chosen and tend to focus on actions that lead up to the expected result.

priorities (*priorité*): Plans or projects that an organization has chosen to focus and report on during the planning period. Priorities represent the things that are most important or what must be done first to support the achievement of the desired Strategic Outcome(s).

program (*programme*): A group of related resource inputs and activities that are managed to meet specific needs and to achieve intended results and that are treated as a budgetary unit.

Program Alignment Architecture (*architecture d'alignement des programmes*): A structured inventory of an organization's programs depicting the hierarchical relationship between programs and the Strategic Outcome(s) to which they contribute.

Report on Plans and Priorities (*rapport sur les plans et les priorités*): Provides information on the plans and expected performance of appropriated organizations over a three-year period. These reports are tabled in Parliament each spring.

result (*résultat*): An external consequence attributed, in part, to an organization, policy, program or initiative. Results are not within the control of a single organization, policy, program or initiative; instead they are within the area of the organization's influence.

statutory expenditures (*dépenses législatives*): Expenditures that Parliament has approved through legislation other than appropriation acts. The legislation sets out the purpose of the expenditures and the terms and conditions under which they may be made.

Strategic Outcome (*résultat stratégique*): A long-term and enduring benefit to Canadians that is linked to the organization's mandate, vision and core functions.

sunset program (*programme temporisé*): A time-limited program that does not have an ongoing funding and policy authority. When the program is set to expire, a decision must be made whether to continue the program. In the case of a renewal, the decision specifies the scope, funding level and duration.

target (*cible*): A measurable performance or success level that an organization, program or initiative plans to achieve within a specified time period. Targets can be either quantitative or qualitative.

voted expenditures (*dépenses votées*): Expenditures that Parliament approves annually through an Appropriation Act. The Vote wording becomes the governing conditions under which these expenditures may be made.

whole-of-government framework (*cadre pangouvernemental*): Maps the financial contributions of federal organizations receiving appropriations by aligning their Programs

to a set of 16 government-wide, high-level outcome areas, grouped under four spending areas.

Endnotes

i Justice Canada – *Lobbying Act*, R.S.C., 1985, c. 44 (4th Supp.), http://laws.justice.gc.ca/eng/acts/L-12.4/

ii Report on the 2013 Consultation - *Lobbyists' Code of Conduct*, http://ocl-cal.gc.ca/eic/site/012.nsf/eng/00902.html

iii Revised *Lobbyists' Code of Conduct* — Background Paper, http://ocl-cal.gc.ca/eic/site/012.nsf/eng/00996.html

iv Revised *Lobbyists' Code of Conduct* for Consultation, http://ocl-cal.gc.ca/eic/site/012.nsf/eng/01103.html

v Whole-of-government framework, http://www.tbs-sct.gc.ca/ppg-cpr/frame-cadre-eng.aspx

vi *Public Accounts of Canada 2015*, http://www.tpsgc-pwgsc.gc.ca/recgen/cpc-pac/index-eng.html

vii Public Works and Government Services Canada website, http://www.tpsgc-pwgsc.gc.ca/recgen/cpc-pac/index-eng.html

viii *Guide to Registration*, http://www.ocl-cal.gc.ca/eic/site/012.nsf/eng/00480.html

ix Worksheets for lobbyists, http://www.ocl-cal.gc.ca/eic/site/012.nsf/eng/00948.html

x *Are You Required to Register in the Federal Registry of Lobbyists?* http://www.ocl-cal.gc.ca/eic/site/012.nsf/eng/h_01085.html

xi Open Data — Office of the Commissioner of Lobbying, http://ocl-cal.gc.ca/eic/site/012.nsf/eng/h_00872.html

xii Performance Reports – Financial Statements, http://ocl-cal.gc.ca/eic/site/012.nsf/eng/01175.html

xiii Organizational Sustainable Development Strategy, http://ocl-cal.gc.ca/eic/site/012.nsf/eng/01173.html

xiv Internal Audits and Evaluations: http://ocl-cal.gc.ca/eic/site/012.nsf/eng/01172.html

xv Response to Parliamentary Committees and External Audits, http://ocl-cal.gc.ca/eic/site/012.nsf/eng/01174.html

xvi *Tax Expenditures and Evaluations* publication, http://www.fin.gc.ca/purl/taxexp-eng.asp